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The Director of Central Intelligence

Washington, D.C. 20505

ICS 0765-88

The Honorable Louis Stokes, Chairman
Permanent Select Committee on Intelligence
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

The SSCI's classified report on the Fiscal Year (FY) 1988 National Foreign Intelligence Program Budget [redacted] dated 27 May 1987, expressed Congressional concerns with aspects of the security environment at US missions in criteria countries. The report requested "the DCI, in conjunction with the Interagency Group on Counterintelligence...to study alternative means for staffing support and security positions at U.S. diplomatic facilities in criteria countries. The report, together with appropriate recommendations, should be submitted to the Intelligence Committees of the House and Senate March 1, 1988." [redacted]

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In the months following the request, various reports were produced that examined the wide spectrum of security concerns generated by recent revelations of security compromises at certain missions overseas. [redacted]

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- o PFIAB produced a comprehensive report in July 1987 in response to National Security Decision Directive (NSDD) 268, "PFIAB Worldwide Evaluation of the Procedures and Practices by which our Foreign Missions Protect Classified Information and Facilities." The NSDD directed the Board to develop recommendations to improve the current process and policies to protect classified information and facilities in US missions abroad. [redacted]
- o The Laird Commission, chartered by the Secretary of State to investigate breaches of security in the operations of US missions in the Soviet Union, completed its report to the President and the Secretary of State in July 1987. [redacted]
- o The report of James R. Schlesinger to the Secretary of State addressed security concerns regarding construction of our Moscow Chancery. It was also completed in July 1987. [redacted]

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Subsequently, I asked CIA, NSA, DIA, and the FBI to evaluate the findings and recommendations put forth in the above reports and provide me with their expert views and recommended course of action. This was done, and I met with Secretary of State Shultz in late July when we largely agreed on what must be done and how to move to get on with the job. Our objective was, and is, to achieve a sound and integrated security policy and operations stance overseas and put in place a rational structure with procedures to ensure that good security is central to our overall diplomatic and intelligence efforts. [REDACTED]

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In August 1987 we forwarded to the President our joint recommendations concerning, inter alia, security of US facilities in the USSR, organizational structure for implementing security programs, and an audit and inspection function. [REDACTED]

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In October the Deputy Assistant to the President for National Security Affairs, on behalf of the President, formally responded to the recommendations and advised that the President believed the approach we outlined represented a workable framework to achieve an improved security and operational environment in Moscow and at other missions overseas. [REDACTED]

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The President instructed that we develop the necessary plans and legislative initiatives, if any, to implement these organizational initiatives. Such plans are to include provision for reporting annually to the President and the Congress on the status of security at US missions. [REDACTED]

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Community security initiatives to implement approved recommendations have included CIA-DIA-NSA-FBI-State interagency efforts to design options to implement audit and inspection functions at our diplomatic facilities overseas. Such functions will include setting standards to protect embassies from penetration by foreign intelligence activity and for monitoring conformity with those standards. [REDACTED]

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The Secretary of State has acted aggressively and is developing plans for the institution of "core" chanceries in Eastern Europe. My staff is working closely with his in implementing procedures and identifying contract personnel for the phased replacement of foreign nationals. Our goal is to remove foreign national employees from all embassy chancery buildings in Eastern Europe by the end of FY 1988.

The above efforts and others are all focused on improving security in our missions overseas. They also postdate the SSCI's request and place it in a different light. Given the magnitude and developing nature of executive-level efforts to implement an integrated security program overseas, we believe the best approach to fully satisfying the request is to treat the issue of support and security staffing as an integral part of our overall efforts to improve security practices and procedures. [REDACTED]

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As noted above, the President has instructed the Secretary of State and me to develop the necessary plans and procedures to implement these new organizational initiatives, and that such plans should include provision for an annual report from me to the President and the Congress on the state of security at US missions. I will work with the Secretary of State to design this report in a way that should satisfy the reporting requirement as set forth [redacted] 27 May 1987. Copies of this letter are being forwarded to the Chairmen of the Subcommittees of Defense of the House Appropriations Committee and the Senate Appropriations Committee. The report, upon completion, will be similarly forwarded. [redacted]

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Your continued interest in and support of our efforts to improve security is appreciated. You will be kept fully informed of significant Community concerns and developments in this area. [redacted]

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Sincerely yours,

William H. Webster

cc: Chairman, SSCI

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SUBJECT: Letter from DCI to Chairman, HPSCI re the security environment at
US missions in criteria countries

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